

YEAR ENDING JUNE 30, 2003

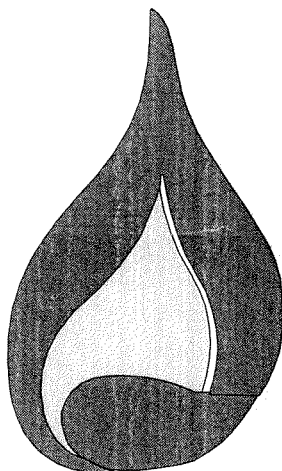
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ANNUAL REPORT 2003 NOV 28 AM 10:32
OF

PUBLIC SERVICE
COMMISSION

Energy West – Montana (Great Falls Gas)

GAS UTILITY



TO THE
PUBLIC SERVICE COMMISSION
STATE OF MONTANA
1701 PROSPECT AVENUE
P.O. BOX 202601
HELENA, MT 59620-2601

IDENTIFICATION

Year: 2003

| | | |
|-------------------------|--|--|
| 1. | Legal Name of Respondent: | Energy West Montana - Great Falls |
| 2. | Name Under Which Respondent Does Business: | Energy West, Incorporated |
| 3. | Date Utility Service First Offered in Montana | Manufactured Gas: 12/08/1909 NG: 05/02/1928 |
| 4. | Address to send Correspondence Concerning Report: | P.O. Box 2229 Great Falls, MT 59403-2229 |
| 5. | Person Responsible for This Report: | Shawn Shaw |
| 5a. | Telephone Number: | (406)791-7529 |
| Control Over Respondent | | |
| 1. | If direct control over the respondent was held by another entity at the end of year provide the following: | |
| | 1a. Name and address of the controlling organization or person: (Not Applicable) | |
| | 1b. Means by which control was held: | |
| | 1c. Percent Ownership: | |

SCHEDULE 2

| Board of Directors | | |
|--------------------|--|--------------|
| Line No. | Name of Director and Address (City, State) | Remuneration |
| | (a) | (b) |
| 1 | Edward Bernica Great Falls, MT | \$0 |
| 2 | Thomas N. McGowan, Jr. Hamilton, MT | \$5,125 |
| 3 | G. Montgomery Mitchell Houston, TX | \$28,426 |
| 4 | David Flitner Greybull, WY | \$20,575 |
| 5 | Dean South Helena, MT | \$6,950 |
| 6 | Richard Schulte Brecksville, OH | \$26,900 |
| 7 | Andrew Davidson Great Falls, MT | \$0 |
| 8 | Gene Argo Hays, KS | \$16,750 |
| 9 | Terry Palmer Denver, CO | \$16,750 |
| 10 | George Ruff Helena, MT | \$0 |
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Officers

Year: 2003

| Line No. | Title of Officer (a) | Department Supervised (b) | Name (c) |
|----------|-----------------------------|------------------------------|-------------------|
| 1 | President & CEO | Total Company | Edward J. Bernica |
| 2 | | | |
| 3 | Assistant V.P. / Treasurer | Finance and Treasury | JoAnn S. Hogan |
| 4 | | | |
| 5 | Assistant V.P. / Controller | Accounting | Robert B. Mease |
| 6 | | | |
| 7 | General Counsel. V/P Human | | |
| 8 | Resources & Secretary | Human Resources and Legal | John C. Allen |
| 9 | | | |
| 10 | VP & Manager of Propane | All Propane Operations | Doug Mann |
| 11 | | | |
| 12 | VP & Manager of Natural Gas | All Natural Gas Operations | Tim A. Good |
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CORPORATE STRUCTURE

Year: 2003

| | Subsidiary/Company Name | Line of Business | Earnings | Percent of Total |
|----|------------------------------|--|-----------|------------------|
| 1 | Energy West - Montana | Natural Gas Utility | 257,354 | -289.56% |
| 2 | Energy West - Wyoming | Natural Gas Utility | (25,682) | 28.90% |
| 3 | Energy West - Arizona | Propane Vapor Utility | 66,726 | -75.08% |
| 4 | Energy West - W. Yellowstone | Natural Gas Utility | (69,944) | 78.70% |
| 5 | Energy West - Cascade | Natural Gas Utility | 17,773 | -20.00% |
| 6 | Rocky Mountain Fuels | Bulk Propane Sales | (72,369) | 81.43% |
| 7 | Energy West Propane - AZ | Bulk Propane Sales | 154,901 | -174.28% |
| 8 | Energy West Propane - MT | Bulk Propane Sales | (9,475) | 10.66% |
| 9 | Energy West Resources | Gas Marketing | (284,166) | 319.73% |
| 10 | Energy West Development | Real Estate Development and Pipe Line | (123,996) | 139.51% |
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| 50 | TOTAL | | (88,878) | 100.00% |

CORPORATE ALLOCATIONS

Year: 2003

| | Items Allocated | Classification | Allocation Method | \$ to MT Utility | MT % | \$ to Other |
|----|------------------------|----------------|---------------------------|------------------|--------|-------------|
| 1 | ENERGY WEST, OVERHEADS | 921 | DIRECT PAYROLL & 4 FACTOR | 1,226,493 | 47.57% | 1,351,679 |
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| 33 | | | | | | |
| 34 | TOTAL | | | 1,226,493 | 47.57% | 1,351,679 |

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY Year: 2003

| Line No. | (a) Affiliate Name | (b) Products & Services | (c) Method to Determine Price | (d) Charges to Utility | (e) % Total Affil. Revs. | (f) Charges to MT Utility |
|----------|------------------------|----------------------------|----------------------------------|---------------------------|-----------------------------|------------------------------|
| 1 | SALES FROM ENERGY WEST | Nat'l Gas | Monthly AECO index | 3,925,846 | | |
| 2 | RESOURCES TO ENERGY | | | | | |
| 3 | WEST-MONTANA | | | | | |
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| 32 | TOTAL | | | 3,925,846 | | |

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2003

| Line No. | (a) Affiliate Name | (b) Products & Services | (c) Method to Determine Price | (d) Charges to Affiliate | (e) % Total Affil. Exp. | (f) Revenues to MT Utility |
|----------|-----------------------|----------------------------|----------------------------------|-----------------------------|----------------------------|-------------------------------|
| 1 | NONE | | | | | |
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| 32 | TOTAL | | | | | |

MONTANA UTILITY INCOME STATEMENT

Year: 2003

| | Account Number & Title | Last Year | This Year | % Change |
|----|--|-------------|------------|----------|
| 1 | 400 Operating Revenues | 28,650,590 | 22,527,997 | -21.37% |
| 2 | | | | |
| 3 | Operating Expenses | | | |
| 4 | 401 Operation Expenses | 25,444,285 | 19,900,562 | -21.79% |
| 5 | 402 Maintenance Expense | 183,481 | 232,148 | 26.52% |
| 6 | 403 Depreciation Expense | 834,926 | 873,199 | 4.58% |
| 7 | 404-405 Amort. & Depl. of Gas Plant | | | |
| 8 | 406 Amort. of Gas Plant Acquisition Adjustments | | | |
| 9 | 407.1 Amort. of Property Losses, Unrecovered Plant | | | |
| 10 | & Regulatory Study Costs | | | |
| 11 | 407.2 Amort. of Conversion Expense | | | |
| 12 | 408.1 Taxes Other Than Income Taxes | 460,876 | 394,583 | -14.38% |
| 13 | 409.1 Income Taxes - Federal | 2,467,475 | (788,090) | -131.94% |
| 14 | - Other | 539,223 | (175,189) | -132.49% |
| 15 | 410.1 Provision for Deferred Income Taxes | (2,586,800) | 1,273,201 | 149.22% |
| 16 | 411.1 (Less) Provision for Def. Inc. Taxes - Cr. | | | |
| 17 | 411.4 Investment Tax Credit Adjustments | (21,062) | (21,062) | |
| 18 | 411.6 (Less) Gains from Disposition of Utility Plant | | | |
| 19 | 411.7 Losses from Disposition of Utility Plant | | | |
| 20 | TOTAL Utility Operating Expenses | 27,322,404 | 21,689,352 | -20.62% |
| 21 | NET UTILITY OPERATING INCOME | 1,328,186 | 838,645 | -36.86% |

MONTANA REVENUES

SCHEDULE 9

| | Account Number & Title | Last Year | This Year | % Change |
|----|--|------------|------------|----------|
| 1 | Sales of Gas | | | |
| 2 | 480 Residential | 17,080,512 | 13,178,851 | -22.84% |
| 3 | 481 Commercial & Industrial - Small | 2,522,679 | 2,006,879 | -20.45% |
| 4 | Commercial & Industrial - Large | 7,104,334 | 5,553,206 | -21.83% |
| 5 | 482 Other Sales to Public Authorities | | | |
| 6 | 484 Interdepartmental Sales | | | |
| 7 | 485 Intracompany Transfers | | | |
| 8 | TOTAL Sales to Ultimate Consumers | 26,707,525 | 20,738,936 | -22.35% |
| 9 | 483 Sales for Resale | | | |
| 10 | TOTAL Sales of Gas | 26,707,525 | 20,738,936 | -22.35% |
| 11 | Other Operating Revenues | | | |
| 12 | 487 Forfeited Discounts & Late Payment Revenues | | | |
| 13 | 488 Miscellaneous Service Revenues | | | |
| 14 | 489 Revenues from Transp. of Gas for Others | 1,943,065 | 1,789,060 | -7.93% |
| 15 | 490 Sales of Products Extracted from Natural Gas | | | |
| 16 | 491 Revenues from Nat. Gas Processed by Others | | | |
| 17 | 492 Incidental Gasoline & Oil Sales | | | |
| 18 | 493 Rent From Gas Property | | | |
| 19 | 494 Interdepartmental Rents | | | |
| 20 | 495 Other Gas Revenues | | | |
| 21 | TOTAL Other Operating Revenues | 1,943,065 | 1,789,060 | -7.93% |
| 22 | Total Gas Operating Revenues | 28,650,590 | 22,527,996 | -21.37% |
| 23 | | | | |
| 24 | 496 (Less) Provision for Rate Refunds | | | |
| 25 | | | | |
| 26 | TOTAL Oper. Revs. Net of Pro. for Refunds | 28,650,590 | 22,527,996 | -21.37% |
| 27 | | | | |

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2003

| Account Number & Title | | Last Year | This Year | % Change |
|------------------------|---|-----------|-----------|----------|
| 1 | Production Expenses | | | |
| 2 | Production & Gathering - Operation | | | |
| 3 | 750 Operation Supervision & Engineering | | | |
| 4 | 751 Production Maps & Records | | | |
| 5 | 752 Gas Wells Expenses | | | |
| 6 | 753 Field Lines Expenses | | | |
| 7 | 754 Field Compressor Station Expenses | | | |
| 8 | 755 Field Compressor Station Fuel & Power | | | |
| 9 | 756 Field Measuring & Regulating Station Expense | | | |
| 10 | 757 Purification Expenses | | | |
| 11 | 758 Gas Well Royalties | | | |
| 12 | 759 Other Expenses | | | |
| 13 | 760 Rents | | | |
| 14 | Total Operation - Natural Gas Production | | | |
| 15 | Production & Gathering - Maintenance | | | |
| 16 | 761 Maintenance Supervision & Engineering | | | |
| 17 | 762 Maintenance of Structures & Improvements | | | |
| 18 | 763 Maintenance of Producing Gas Wells | | | |
| 19 | 764 Maintenance of Field Lines | | | |
| 20 | 765 Maintenance of Field Compressor Sta. Equip. | | | |
| 21 | 766 Maintenance of Field Meas. & Reg. Sta. Equip. | | | |
| 22 | 767 Maintenance of Purification Equipment | | | |
| 23 | 768 Maintenance of Drilling & Cleaning Equip. | | | |
| 24 | 769 Maintenance of Other Equipment | | | |
| 25 | Total Maintenance- Natural Gas Prod. | | | |
| 26 | TOTAL Natural Gas Production & Gathering | | | |
| 27 | Products Extraction - Operation | | | |
| 28 | 770 Operation Supervision & Engineering | | | |
| 29 | 771 Operation Labor | | | |
| 30 | 772 Gas Shrinkage | | | |
| 31 | 773 Fuel | | | |
| 32 | 774 Power | | | |
| 33 | 775 Materials | | | |
| 34 | 776 Operation Supplies & Expenses | | | |
| 35 | 777 Gas Processed by Others | | | |
| 36 | 778 Royalties on Products Extracted | | | |
| 37 | 779 Marketing Expenses | | | |
| 38 | 780 Products Purchased for Resale | | | |
| 39 | 781 Variation in Products Inventory | | | |
| 40 | 782 (Less) Extracted Products Used by Utility - Cr. | | | |
| 41 | 783 Rents | | | |
| 42 | Total Operation - Products Extraction | | | |
| 43 | Products Extraction - Maintenance | | | |
| 44 | 784 Maintenance Supervision & Engineering | | | |
| 45 | 785 Maintenance of Structures & Improvements | | | |
| 46 | 786 Maintenance of Extraction & Refining Equip. | | | |
| 47 | 787 Maintenance of Pipe Lines | | | |
| 48 | 788 Maintenance of Extracted Prod. Storage Equip. | | | |
| 49 | 789 Maintenance of Compressor Equipment | | | |
| 50 | 790 Maintenance of Gas Meas. & Reg. Equip. | | | |
| 51 | 791 Maintenance of Other Equipment | | | |
| 52 | Total Maintenance - Products Extraction | | | |
| 53 | TOTAL Products Extraction | | | |

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2003

| Account Number & Title | | Last Year | This Year | % Change |
|------------------------|--|------------|-------------|----------|
| 1 | Production Expenses - continued | | | |
| 2 | | | | |
| 3 | Exploration & Development - Operation | | | |
| 4 | 795 Delay Rentals | | | |
| 5 | 796 Nonproductive Well Drilling | | | |
| 6 | 797 Abandoned Leases | | | |
| 7 | 798 Other Exploration | | | |
| 8 | TOTAL Exploration & Development | | | |
| 9 | | | | |
| 10 | Other Gas Supply Expenses - Operation | | | |
| 11 | 800 Natural Gas Wellhead Purchases | | | |
| 12 | 800.1 Nat. Gas Wellhead Purch., Intracomp. Trans. | | | |
| 13 | 801 Natural Gas Field Line Purchases | | | |
| 14 | 802 Natural Gas Gasoline Plant Outlet Purchases | | | |
| 15 | 803 Natural Gas Transmission Line Purchases | | | |
| 16 | 804 Natural Gas City Gate Purchases | | | |
| 17 | 805 Other Gas Purchases | 15,243,631 | 16,971,205 | 11.33% |
| 18 | 805.1 Purchased Gas Cost Adjustments | 7,208,121 | (2,367,910) | -132.85% |
| 19 | 805.2 Incremental Gas Cost Adjustments | | | |
| 20 | 806 Exchange Gas | | | |
| 21 | 807.1 Well Expenses - Purchased Gas | | | |
| 22 | 807.2 Operation of Purch. Gas Measuring Stations | | | |
| 23 | 807.3 Maintenance of Purch. Gas Measuring Stations | | | |
| 24 | 807.4 Purchased Gas Calculations Expenses | | | |
| 25 | 807.5 Other Purchased Gas Expenses | | | |
| 26 | 808.1 Gas Withdrawn from Storage -Dr. | (373,999) | 1,338,017 | 457.76% |
| 27 | 808.2 (Less) Gas Delivered to Storage -Cr. | | | |
| 28 | 809.2 (Less) Deliveries of Nat. Gas for Processing-Cr. | | | |
| 29 | 810 (Less) Gas Used for Compressor Sta. Fuel-Cr. | | | |
| 30 | 811 (Less) Gas Used for Products Extraction-Cr. | | | |
| 31 | 812 (Less) Gas Used for Other Utility Operations-Cr. | (11,951) | (15,453) | -29.30% |
| 32 | 813 Other Gas Supply Expenses | | | |
| 33 | TOTAL Other Gas Supply Expenses | 22,065,802 | 15,925,859 | -27.83% |
| 34 | | | | |
| 35 | TOTAL PRODUCTION EXPENSES | 22,065,802 | 15,925,859 | -27.83% |

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2003

| Account Number & Title | | Last Year | This Year | % Change |
|------------------------|---|-----------|-----------|----------|
| 1 | Storage, Terminaling & Processing Expenses | | | |
| 2 | | | | |
| 3 | Underground Storage Expenses - Operation | | | |
| 4 | 814 Operation Supervision & Engineering | | | |
| 5 | 815 Maps & Records | | | |
| 6 | 816 Wells Expenses | | | |
| 7 | 817 Lines Expenses | | | |
| 8 | 818 Compressor Station Expenses | | | |
| 9 | 819 Compressor Station Fuel & Power | | | |
| 10 | 820 Measuring & Reg. Station Expenses | | | |
| 11 | 821 Purification Expenses | | | |
| 12 | 822 Exploration & Development | | | |
| 13 | 823 Gas Losses | | | |
| 14 | 824 Other Expenses | | | |
| 15 | 825 Storage Well Royalties | | | |
| 16 | 826 Rents | | | |
| 17 | Total Operation - Underground Strg. Exp. | | | |
| 18 | | | | |
| 19 | Underground Storage Expenses - Maintenance | | | |
| 20 | 830 Maintenance Supervision & Engineering | | | |
| 21 | 831 Maintenance of Structures & Improvements | | | |
| 22 | 832 Maintenance of Reservoirs & Wells | | | |
| 23 | 833 Maintenance of Lines | | | |
| 24 | 834 Maintenance of Compressor Station Equip. | | | |
| 25 | 835 Maintenance of Meas. & Reg. Sta. Equip. | | | |
| 26 | 836 Maintenance of Purification Equipment | | | |
| 27 | 837 Maintenance of Other Equipment | | | |
| 28 | Total Maintenance - Underground Storage | | | |
| 29 | TOTAL Underground Storage Expenses | | | |
| 30 | | | | |
| 31 | Other Storage Expenses - Operation | | | |
| 32 | 840 Operation Supervision & Engineering | | | |
| 33 | 841 Operation Labor and Expenses | | | |
| 34 | 842 Rents | | | |
| 35 | 842.1 Fuel | | | |
| 36 | 842.2 Power | | | |
| 37 | 842.3 Gas Losses | | | |
| 38 | Total Operation - Other Storage Expenses | | | |
| 39 | | | | |
| 40 | Other Storage Expenses - Maintenance | | | |
| 41 | 843.1 Maintenance Supervision & Engineering | | | |
| 42 | 843.2 Maintenance of Structures & Improvements | | | |
| 43 | 843.3 Maintenance of Gas Holders | | | |
| 44 | 843.4 Maintenance of Purification Equipment | | | |
| 45 | 843.6 Maintenance of Vaporizing Equipment | | | |
| 46 | 843.7 Maintenance of Compressor Equipment | | | |
| 47 | 843.8 Maintenance of Measuring & Reg. Equipment | | | |
| 48 | 843.9 Maintenance of Other Equipment | | | |
| 49 | Total Maintenance - Other Storage Exp. | | | |
| 50 | TOTAL - Other Storage Expenses | | | |
| 51 | | | | |
| 52 | TOTAL - STORAGE, TERMINALING & PROC. | | | |

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2003

| Account Number & Title | | | Last Year | This Year | % Change |
|------------------------|---|--|-----------|-----------|----------|
| 1 | Transmission Expenses | | | | |
| 2 | Operation | | | | |
| 3 | 850 | Operation Supervision & Engineering | | | |
| 4 | 851 | System Control & Load Dispatching | | | |
| 5 | 852 | Communications System Expenses | | | |
| 6 | 853 | Compressor Station Labor & Expenses | | | |
| 7 | 854 | Gas for Compressor Station Fuel | | | |
| 8 | 855 | Other Fuel & Power for Compressor Stations | | | |
| 9 | 856 | Mains Expenses | | | |
| 10 | 857 | Measuring & Regulating Station Expenses | | | |
| 11 | 858 | Transmission & Compression of Gas by Others | | | |
| 12 | 859 | Other Expenses | | | |
| 13 | 860 | Rents | | | |
| 14 | Total Operation - Transmission | | | | |
| 15 | Maintenance | | | | |
| 16 | 861 | Maintenance Supervision & Engineering | | | |
| 17 | 862 | Maintenance of Structures & Improvements | | | |
| 18 | 863 | Maintenance of Mains | | | |
| 19 | 864 | Maintenance of Compressor Station Equip. | | | |
| 20 | 865 | Maintenance of Measuring & Reg. Sta. Equip. | | | |
| 21 | 866 | Maintenance of Communication Equipment | | | |
| 22 | 867 | Maintenance of Other Equipment | | | |
| 23 | Total Maintenance - Transmission | | | | |
| 24 | TOTAL Transmission Expenses | | | | |
| 25 | Distribution Expenses | | | | |
| 26 | Operation | | | | |
| 27 | 870 | Operation Supervision & Engineering | | | |
| 28 | 871 | Distribution Load Dispatching | | | |
| 29 | 872 | Compressor Station Labor and Expenses | | | |
| 30 | 873 | Compressor Station Fuel and Power | | | |
| 31 | 874 | Mains and Services Expenses | 56,959 | 47,062 | -17.38% |
| 32 | 875 | Measuring & Reg. Station Exp.-General | 26,522 | 21,186 | -20.12% |
| 33 | 876 | Measuring & Reg. Station Exp.-Industrial | | | |
| 34 | 877 | Meas. & Reg. Station Exp.-City Gate Ck. Sta. | | | |
| 35 | 878 | Meter & House Regulator Expenses | 115,167 | 111,261 | -3.39% |
| 36 | 879 | Customer Installations Expenses | 261,171 | 343,562 | 31.55% |
| 37 | 880 | Other Expenses | 236,774 | 360,000 | 52.04% |
| 38 | 881 | Rents | | | |
| 39 | Total Operation - Distribution | | 696,593 | 883,071 | 26.77% |
| 40 | Maintenance | | | | |
| 41 | 885 | Maintenance Supervision & Engineering | | | |
| 42 | 886 | Maintenance of Structures & Improvements | | | |
| 43 | 887 | Maintenance of Mains | 26,775 | 32,250 | 20.45% |
| 44 | 888 | Maint. of Compressor Station Equipment | | | |
| 45 | 889 | Maint. of Meas. & Reg. Station Exp.-General | | | |
| 46 | 890 | Maint. of Meas. & Reg. Sta. Exp.-Industrial | | | |
| 47 | 891 | Maint. of Meas. & Reg. Sta. Equip.-City Gate | | | |
| 48 | 892 | Maintenance of Services | 10,607 | 24,023 | 126.48% |
| 49 | 893 | Maintenance of Meters & House Regulators | 22,933 | 6,331 | -72.39% |
| 50 | 894 | Maintenance of Other Equipment | | | |
| 51 | Total Maintenance - Distribution | | 60,315 | 62,604 | 3.80% |
| 52 | TOTAL Distribution Expenses | | 756,908 | 945,675 | 24.94% |

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2003

| Account Number & Title | | Last Year | This Year | % Change |
|------------------------|--|------------|------------|-----------|
| 1 | | | | |
| 2 | Customer Accounts Expenses | | | |
| 3 | Operation | | | |
| 4 | 901 Supervision | 5,594 | (84,369) | -1608.21% |
| 5 | 902 Meter Reading Expenses | 104,281 | 104,356 | 0.07% |
| 6 | 903 Customer Records & Collection Expenses | 386,577 | 497,248 | 28.63% |
| 7 | 904 Uncollectible Accounts Expenses | 37,733 | (6,374) | -116.89% |
| 8 | 905 Miscellaneous Customer Accounts Expenses | 6,894 | 3,350 | -51.41% |
| 9 | | | | |
| 10 | TOTAL Customer Accounts Expenses | 541,079 | 514,211 | -4.97% |
| 11 | | | | |
| 12 | Customer Service & Informational Expenses | | | |
| 13 | Operation | | | |
| 14 | 907 Supervision | 72 | 72 | |
| 15 | 908 Customer Assistance Expenses | 30,579 | 33,268 | 8.79% |
| 16 | 909 Informational & Instructional Advertising Exp. | 3,303 | 4,272 | 29.34% |
| 17 | 910 Miscellaneous Customer Service & Info. Exp. | 36,065 | 50,293 | 39.45% |
| 18 | | | | |
| 19 | TOTAL Customer Service & Info. Expenses | 70,019 | 87,905 | 25.54% |
| 20 | | | | |
| 21 | Sales Expenses | | | |
| 22 | Operation | | | |
| 23 | 911 Supervision | 84,759 | 83,663 | -1.29% |
| 24 | 912 Demonstrating & Selling Expenses | | | |
| 25 | 913 Advertising Expenses | | | |
| 26 | 916 Miscellaneous Sales Expenses | | | |
| 27 | | | | |
| 28 | TOTAL Sales Expenses | 84,759 | 83,663 | -1.29% |
| 29 | | | | |
| 30 | Administrative & General Expenses | | | |
| 31 | Operation | | | |
| 32 | 920 Administrative & General Salaries | 233,821 | 218,082 | -6.73% |
| 33 | 921 Office Supplies & Expenses | 261,112 | 184,407 | -29.38% |
| 34 | 922 (Less) Administrative Expenses Transferred - Cr. | (126,826) | (141,671) | -11.71% |
| 35 | 923 Outside Services Employed | 93,844 | 179,045 | 90.79% |
| 36 | 924 Property Insurance | 101,006 | 143,976 | 42.54% |
| 37 | 925 Injuries & Damages | 6,703 | 4,821 | -28.08% |
| 38 | 926 Employee Pensions & Benefits | 437,907 | 522,711 | 19.37% |
| 39 | 927 Franchise Requirements | | | |
| 40 | 928 Regulatory Commission Expenses | | 16,119 | #DIV/0! |
| 41 | 929 (Less) Duplicate Charges - Cr. | | | |
| 42 | 930.1 General Advertising Expenses | | | |
| 43 | 930.2 Miscellaneous General Expenses | 126,363 | 90,552 | -28.34% |
| 44 | 931 Rents | | | |
| 45 | Overhaeds | 884,342 | 1,226,493 | |
| 46 | TOTAL Operation - Admin. & General | 2,018,272 | 2,444,535 | 21.12% |
| 47 | Maintenance | | | |
| 48 | 935 Maintenance of General Plant | 90,927 | 130,862 | 43.92% |
| 49 | | | | |
| 50 | TOTAL Administrative & General Expenses | 2,109,199 | 2,575,397 | 22.10% |
| 51 | TOTAL OPERATION & MAINTENANCE EXP. | 25,627,766 | 20,132,710 | -21.44% |

MONTANA TAXES OTHER THAN INCOME

Year: 2003

| | Description of Tax | Last Year | This Year | % Change |
|----|---|----------------|----------------|----------------|
| 1 | Payroll Taxes | 119,121 | 136,056 | 14.22% |
| 2 | Superfund | | | |
| 3 | Secretary of State | | | |
| 4 | Montana Consumer Counsel | 22,090 | 17,350 | -21.46% |
| 5 | Montana PSC | 75,374 | 49,810 | -33.92% |
| 6 | Franchise Taxes | | | |
| 7 | Property Taxes | 244,292 | 191,366 | -21.66% |
| 8 | Tribal Taxes | | | |
| 9 | | | | |
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| 49 | | | | |
| 50 | | | | |
| 51 | TOTAL MT Taxes other than Income | 460,876 | 394,583 | -14.38% |

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES

Year: 2003

| | Name of Recipient | Nature of Service | Total Company | Montana | % Montana |
|----|-----------------------------|-------------------|---------------|---------|-----------|
| 1 | NONE | | | | |
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| 48 | | | | | |
| 49 | | | | | |
| 50 | TOTAL Payments for Services | | | | |

POLITICAL ACTION COMMITTEES / POLITICAL CONTRIBUTIONS Year: 2003

| | Description | Total Company | Montana | % Montana |
|----|---------------------|---------------|---------|-----------|
| 1 | NONE | | | |
| 2 | | | | |
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| 47 | | | | |
| 48 | | | | |
| 49 | | | | |
| 50 | TOTAL Contributions | | | |

Pension Costs

Year: 2003

| | | | | |
|----|--|----------------------------------|-----------|----------|
| 1 | Plan Name _____ | | | |
| 2 | Defined Benefit Plan? _____ | Defined Contribution Plan? _____ | | |
| 3 | Actuarial Cost Method? _____ | IRS Code: _____ | | |
| 4 | Annual Contribution by Employer: _____ | Is the Plan Over Funded? _____ | | |
| 5 | | | | |
| | Item | Current Year | Last Year | % Change |
| 6 | Change in Benefit Obligation | | | |
| 7 | Benefit obligation at beginning of year | | | |
| 8 | Service cost | | | |
| 9 | Interest Cost | | | |
| 10 | Plan participants' contributions | | | |
| 11 | Amendments | | | |
| 12 | Actuarial Gain | | | |
| 13 | Acquisition | | | |
| 14 | Benefits paid | | | |
| 15 | Benefit obligation at end of year | | | |
| 16 | Change in Plan Assets | | | |
| 17 | Fair value of plan assets at beginning of year | | | |
| 18 | Actual return on plan assets | | | |
| 19 | Acquisition | | | |
| 20 | Employer contribution | | | |
| 21 | Plan participants' contributions | | | |
| 22 | Benefits paid | | | |
| 23 | Fair value of plan assets at end of year | | | |
| 24 | Funded Status | | | |
| 25 | Unrecognized net actuarial loss | | | |
| 26 | Unrecognized prior service cost | | | |
| 27 | Prepaid (accrued) benefit cost | | | |
| 28 | | | | |
| 29 | Weighted-average Assumptions as of Year End | | | |
| 30 | Discount rate | | | |
| 31 | Expected return on plan assets | | | |
| 32 | Rate of compensation increase | | | |
| 33 | | | | |
| 34 | Components of Net Periodic Benefit Costs | | | |
| 35 | Service cost | | | |
| 36 | Interest cost | | | |
| 37 | Expected return on plan assets | | | |
| 38 | Amortization of prior service cost | | | |
| 39 | Recognized net actuarial loss | | | |
| 40 | Net periodic benefit cost | | | |
| 41 | | | | |
| 42 | Montana Intrastate Costs: | | | |
| 43 | Pension Costs | | | |
| 44 | Pension Costs Capitalized | | | |
| 45 | Accumulated Pension Asset (Liability) at Year End | | | |
| 46 | Number of Company Employees: | | | |
| 47 | Covered by the Plan | 59 | 53 | -10.17% |
| 48 | Not Covered by the Plan | 3 | 1 | -66.67% |
| 49 | Active | 58 | 54 | -6.90% |
| 50 | Retired | 2 | | |
| 51 | Deferred Vested Terminated | 3 | | -100.00% |

Other Post Employment Benefits (OPEBS)

| Item | Current Year | Last Year | % Change |
|---|--------------|-----------|----------|
| 1 Regulatory Treatment: | | | |
| 2 Commission authorized - most recent | | | |
| 3 Docket number: _____ | | | |
| 4 Order number: _____ | | | |
| 5 Amount recovered through rates | | | |
| 6 Weighted-average Assumptions as of Year End | | | |
| 7 Discount rate | 6.00% | 7.50% | 25.00% |
| 8 Expected return on plan assets | 8.50% | 9.00% | 5.88% |
| 9 Medical Cost Inflation Rate | 8.50% | 9.50% | 11.76% |
| 10 Actuarial Cost Method | | | |
| 11 Rate of compensation increase | | | |
| 12 List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged: | | | |
| 13 | | | |
| 14 | | | |
| 15 Describe any Changes to the Benefit Plan: | | | |
| 16 | | | |
| 17 TOTAL COMPANY | | | |
| 18 Change in Benefit Obligation | | | |
| 19 Benefit obligation at beginning of year | 602800 | 743200 | 23.29% |
| 20 Service cost | 31100 | 26000 | -16.40% |
| 21 Interest Cost | 44300 | 39200 | -11.51% |
| 22 Plan participants' contributions | | | |
| 23 Amendments | | | |
| 24 Actuarial Gain | 123400 | -182900 | -248.22% |
| 25 Acquisition | | | |
| 26 Benefits paid | -19300 | -22700 | -17.62% |
| 27 Benefit obligation at end of year | 782300 | 602800 | -22.95% |
| 28 Change in Plan Assets | | | |
| 29 Fair value of plan assets at beginning of year | 470800 | 482395 | 2.46% |
| 30 Actual return on plan assets | 5300 | 11100 | 109.43% |
| 31 Acquisition | | | |
| 32 Employer contribution | | | |
| 33 Plan participants' contributions | | | |
| 34 Benefits paid | -19300 | -22700 | -17.62% |
| 35 Fair value of plan assets at end of year | 456800 | 470795 | 3.06% |
| 36 Funded Status | | | |
| 37 Unrecognized net actuarial loss | 325500 | 132005 | -59.45% |
| 38 Unrecognized prior service cost | -115700 | 25300 | 121.87% |
| 39 Prepaid (accrued) benefit cost | 209800 | 157305 | -25.02% |
| 40 Components of Net Periodic Benefit Costs | | | |
| 41 Service cost | 31100 | 26000 | -16.40% |
| 42 Interest cost | 44300 | 39200 | -11.51% |
| 43 Expected return on plan assets | -39000 | -42400 | -8.72% |
| 44 Amortization of prior service cost | 19600 | 19600 | |
| 45 Recognized net actuarial loss | -3500 | -10400 | -197.14% |
| 46 Net periodic benefit cost | 52500 | 32000 | -39.05% |
| 47 Accumulated Post Retirement Benefit Obligation | | | |
| 48 Amount Funded through VEBA | | | |
| 49 Amount Funded through 401(h) | | | |
| 50 Amount Funded through Other _____ | | | |
| 51 TOTAL | | | |
| 52 Amount that was tax deductible - VEBA | | | |
| 53 Amount that was tax deductible - 401(h) | | | |
| 54 Amount that was tax deductible - Other _____ | | | |
| 55 TOTAL | | | |

Other Post Employment Benefits (OPEBS) Continued

| | Item | Current Year | Last Year | % Change |
|----|---|--------------|-----------|----------|
| 1 | Number of Company Employees: | | | |
| 2 | Covered by the Plan | | | |
| 3 | Not Covered by the Plan | | | |
| 4 | Active | | | |
| 5 | Retired | | | |
| 6 | Spouses/Dependants covered by the Plan | | | |
| 7 | Montana | | | |
| 8 | Change in Benefit Obligation | | | |
| 9 | Benefit obligation at beginning of year | | | |
| 10 | Service cost | | | |
| 11 | Interest Cost | | | |
| 12 | Plan participants' contributions | | | |
| 13 | Amendments | | | |
| 14 | Actuarial Gain | | | |
| 15 | Acquisition | | | |
| 16 | Benefits paid | | | |
| 17 | Benefit obligation at end of year | | | |
| 18 | Change in Plan Assets | | | |
| 19 | Fair value of plan assets at beginning of year | | | |
| 20 | Actual return on plan assets | | | |
| 21 | Acquisition | | | |
| 22 | Employer contribution | | | |
| 23 | Plan participants' contributions | | | |
| 24 | Benefits paid | | | |
| 25 | Fair value of plan assets at end of year | | | |
| 26 | Funded Status | | | |
| 27 | Unrecognized net actuarial loss | | | |
| 28 | Unrecognized prior service cost | | | |
| 29 | Prepaid (accrued) benefit cost | | | |
| 30 | Components of Net Periodic Benefit Costs | | | |
| 31 | Service cost | | | |
| 32 | Interest cost | | | |
| 33 | Expected return on plan assets | | | |
| 34 | Amortization of prior service cost | | | |
| 35 | Recognized net actuarial loss | | | |
| 36 | Net periodic benefit cost | | | |
| 37 | Accumulated Post Retirement Benefit Obligation | | | |
| 38 | Amount Funded through VEBA | | | |
| 39 | Amount Funded through 401(h) | | | |
| 40 | Amount Funded through other _____ | | | |
| 41 | TOTAL | | | |
| 42 | Amount that was tax deductible - VEBA | | | |
| 43 | Amount that was tax deductible - 401(h) | | | |
| 44 | Amount that was tax deductible - Other | | | |
| 45 | TOTAL | | | |
| 46 | Montana Intrastate Costs: | | | |
| 47 | Pension Costs | | | |
| 48 | Pension Costs Capitalized | | | |
| 49 | Accumulated Pension Asset (Liability) at Year End | | | |
| 50 | Number of Montana Employees: | | | |
| 51 | Covered by the Plan | | | |
| 52 | Not Covered by the Plan | | | |
| 53 | Active | | | |
| 54 | Retired | | | |
| 55 | Spouses/Dependants covered by the Plan | | | |

TOP TEN MONTANA COMPENSATED EMPLOYEES (ASSIGNED OR ALLOCATED)

| Line No. | Name/Title | Base Salary | Bonuses | Other | Total Compensation | Total Compensation Last Year | % Increase Total Compensation |
|----------|--|-------------|---------|--------|--------------------|------------------------------|-------------------------------|
| 1 | Edward Bernica President & CEO ENERGY WEST, INC | 131,212 | 5,847 | | 137,059 | 208,058 | -34% |
| 2 | Tim A. Good Vice President Utility Division | 105,569 | 5,030 | | 110,599 | 174,489 | -37% |
| 3 | John Allen General Counsel VP of Human Resources & Regulatory Affairs | 100,970 | 4,542 | | 105,512 | 165,944 | -36% |
| 4 | Earl Terwilliger Division Manager Energy West MT | 66,989 | 9,986 | 10,577 | 87,552 | 93,070 | -6% |
| 5 | Jed Henthorne IT Manager | 70,846 | 9,930 | | 80,776 | 104,179 | -22% |
| 6 | Robert Mease Vice President Controller | 71,479 | 5,207 | 500 | 77,186 | 26,035 | 196% |
| 7 | Evan Mathews Manager West Yellowstone | 61,186 | 2,354 | 11,370 | 74,910 | 72,346 | 4% |
| 8 | JoAnn Hogan Vice President Treasurer | 67,480 | 3,134 | | 70,614 | 92,563 | -24% |
| 9 | Sheila Rice Vice President Administration | 62,679 | 4,301 | | 66,980 | 150,124 | -55% |
| 10 | Kurt Baltrusch Director of Operations | 60,724 | | | 60,724 | - | N/A |

COMPENSATION OF TOP 5 CORPORATE EMPLOYEES - SEC INFORMATION

| Line No. | Name/Title | Base Salary | Bonuses | Other | Total Compensation | Total Compensation Last Year | % Increase Total Compensation |
|----------|--|-------------|---------|-------|--------------------|------------------------------|-------------------------------|
| 1 | Edward Bernica President & CEO ENERGY WEST, INC | 131,212 | 5,847 | | 137,059 | 208,058 | -34% |
| 2 | Tim A. Good Vice President Utility Division | 105,569 | 5,030 | | 110,599 | 174,489 | -37% |
| 3 | John Allen General Counsel VP of Human Resources & Regulatory Affairs | 100,970 | 4,542 | | 105,512 | 165,944 | -36% |
| 4 | Lynn Hardin Manager of Gas Supply -- Energy West Resources | 82,105 | 12,913 | | 95,018 | 148,517 | -36% |
| 5 | Jim Morin President Energy West Resource | 79,508 | 12,190 | | 91,698 | 148,891 | -38% |

BALANCE SHEET

Year: 2003

| | Account Number & Title | Last Year | This Year | % Change |
|----|--|--------------|--------------|----------|
| 1 | Assets and Other Debits | | | |
| 2 | Utility Plant | | | |
| 3 | 101 Gas Plant in Service | 58,257,618 | 59,696,804 | -2% |
| 4 | 101.1 Property Under Capital Leases | | | |
| 5 | 102 Gas Plant Purchased or Sold | | | |
| 6 | 104 Gas Plant Leased to Others | | | |
| 7 | 105 Gas Plant Held for Future Use | | | |
| 8 | 105.1 Production Properties Held for Future Use | | | |
| 9 | 106 Completed Constr. Not Classified - Gas | | | |
| 10 | 107 Construction Work in Progress - Gas | | | |
| 11 | 108 (Less) Accumulated Depreciation | (24,957,595) | (26,615,488) | 6% |
| 12 | 111 (Less) Accumulated Amortization & Depletion | | | |
| 13 | 114 Gas Plant Acquisition Adjustments | | | |
| 14 | 115 (Less) Accum. Amort. Gas Plant Acq. Adj. | | | |
| 15 | 116 Other Gas Plant Adjustments | | | |
| 16 | 117 Gas Stored Underground - Noncurrent | | | |
| 17 | 118 Other Utility Plant | | | |
| 18 | 119 Accum. Depr. and Amort. - Other Util. Plant | | | |
| 19 | TOTAL Utility Plant | 33,300,023 | 33,081,316 | 1% |
| 20 | Other Property & Investments | | | |
| 21 | 121 Nonutility Property | 4,514,446 | 8,281,809 | -45% |
| 22 | 122 (Less) Accum. Depr. & Amort. of Nonutil. Prop. | (1,295,562) | (1,786,529) | 27% |
| 23 | 123 Investments in Associated Companies | | | |
| 24 | 123.1 Investments in Subsidiary Companies | | | |
| 25 | 124 Other Investments | | | |
| 26 | 125 Sinking Funds | | | |
| 27 | TOTAL Other Property & Investments | 3,218,884 | 6,495,280 | -50% |
| 28 | Current & Accrued Assets | | | |
| 29 | 131 Cash | 367,657 | 1,938,768 | -81% |
| 30 | 132-134 Special Deposits | | | |
| 31 | 135 Working Funds | | | |
| 32 | 136 Temporary Cash Investments | | | |
| 33 | 141 Notes Receivable | | | |
| 34 | 142 Customer Accounts Receivable | 8,398,491 | 8,184,645 | 3% |
| 35 | 143 Other Accounts Receivable | | | |
| 36 | 144 (Less) Accum. Provision for Uncollectible Accts. | (154,252) | (213,013) | 28% |
| 37 | 145 Notes Receivable - Associated Companies | | | |
| 38 | 146 Accounts Receivable - Associated Companies | | | |
| 39 | 151 Fuel Stock | | | |
| 40 | 152 Fuel Stock Expenses Undistributed | | | |
| 41 | 153 Residuals and Extracted Products | | | |
| 42 | 154 Plant Materials and Operating Supplies | 593674 | 371490 | |
| 43 | 155 Merchandise | | | |
| 44 | 156 Other Material & Supplies | | | |
| 45 | 163 Stores Expense Undistributed | | | |
| 46 | 164.1 Gas Stored Underground - Current | 5,640,660 | 1,038,690 | 443% |
| 47 | 165 Prepayments | 445,652 | 352,982 | 26% |
| 48 | 166 Advances for Gas Explor., Devl. & Production | | | |
| 49 | 171 Interest & Dividends Receivable | | | |
| 50 | 172 Rents Receivable | | | |
| 51 | 173 Accrued Utility Revenues | | | |
| 52 | 174 Miscellaneous Current & Accrued Assets | 3,798,864 | 4,936,601 | -23% |
| 53 | TOTAL Current & Accrued Assets | 19,090,746 | 16,610,163 | 15% |

BALANCE SHEET

Year: 2003

| | Account Number & Title | Last Year | This Year | % Change |
|----|---|-------------|------------|----------|
| 1 | Assets and Other Debits (cont.) | | | |
| 2 | | | | |
| 3 | Deferred Debits | | | |
| 4 | | | | |
| 5 | 181 Unamortized Debt Expense | 859,440 | 778,558 | 10% |
| 6 | 182.1 Extraordinary Property Losses | | | |
| 7 | 182.2 Unrecovered Plant & Regulatory Study Costs | 617,069 | 541,196 | 14% |
| 8 | 183.1 Prelim. Nat. Gas Survey & Investigation Chrg. | | | |
| 9 | 183.2 Other Prelim. Nat. Gas Survey & Invtg. Chrgs. | | | |
| 10 | 184 Clearing Accounts | | | |
| 11 | 185 Temporary Facilities | | | |
| 12 | 186 Miscellaneous Deferred Debits | 782,884 | 3,340,048 | -100% |
| 13 | 187 Deferred Losses from Disposition of Util. Plant | | | |
| 14 | 188 Research, Devel. & Demonstration Expend. | | | |
| 15 | 189 Unamortized Loss on Reacquired Debt | | | |
| 16 | 190 Accumulated Deferred Income Taxes | | | |
| 17 | 191 Unrecovered Purchased Gas Costs | (2,024,159) | 1,067,109 | -290% |
| 18 | 192.1 Unrecovered Incremental Gas Costs | | | |
| 19 | 192.2 Unrecovered Incremental Surcharges | | | |
| 20 | TOTAL Deferred Debits | 235,234 | 5,726,911 | -96% |
| 21 | | | | |
| 22 | TOTAL ASSETS & OTHER DEBITS | 55,844,888 | 61,913,670 | -10% |
| | | | | |
| | Account Number & Title | Last Year | This Year | % Change |
| 23 | Liabilities and Other Credits | | | |
| 24 | | | | |
| 25 | Proprietary Capital | | | |
| 26 | | | | |
| 27 | 201 Common Stock Issued | 385,964 | 389,295 | -1% |
| 28 | 202 Common Stock Subscribed | | | |
| 29 | 204 Preferred Stock Issued | | | |
| 30 | 205 Preferred Stock Subscribed | | | |
| 31 | 207 Premium on Capital Stock | | | |
| 32 | 211 Miscellaneous Paid-In Capital | 4,863,113 | 5,056,425 | -4% |
| 33 | 213 (Less) Discount on Capital Stock | | | |
| 34 | 214 (Less) Capital Stock Expense | | | |
| 35 | 215 Appropriated Retained Earnings | | | |
| 36 | 216 Unappropriated Retained Earnings | 11,023,266 | 9,852,741 | 12% |
| 37 | 217 (Less) Reacquired Capital Stock | | | |
| 38 | TOTAL Proprietary Capital | 16,272,343 | 15,298,461 | 6% |
| 39 | | | | |
| 40 | Long Term Debt | | | |
| 41 | | | | |
| 42 | 221 Bonds | | | |
| 43 | 222 (Less) Reacquired Bonds | | | |
| 44 | 223 Advances from Associated Companies | | | |
| 45 | 224 Other Long Term Debt | 15,367,424 | 15,390,117 | 0% |
| 46 | 225 Unamortized Premium on Long Term Debt | | | |
| 47 | 226 (Less) Unamort. Discount on L-Term Debt-Dr. | | | |
| 48 | TOTAL Long Term Debt | 15,367,424 | 15,390,117 | 0% |

BALANCE SHEET

Year: 2003

| | Account Number & Title | Last Year | This Year | % Change |
|----|---|------------|------------|----------|
| 1 | | | | |
| 2 | Total Liabilities and Other Credits (cont.) | | | |
| 3 | | | | |
| 4 | Other Noncurrent Liabilities | | | |
| 5 | | | | |
| 6 | 227 Obligations Under Cap. Leases - Noncurrent | | | |
| 7 | 228.1 Accumulated Provision for Property Insurance | | | |
| 8 | 228.2 Accumulated Provision for Injuries & Damages | | | |
| 9 | 228.3 Accumulated Provision for Pensions & Benefits | | | |
| 10 | 228.4 Accumulated Misc. Operating Provisions | | | |
| 11 | 229 Accumulated Provision for Rate Refunds | | | |
| 12 | TOTAL Other Noncurrent Liabilities | | | |
| 13 | | | | |
| 14 | Current & Accrued Liabilities | | | |
| 15 | | | | |
| 16 | 231 Notes Payable | 3,500,000 | 6,104,588 | -43% |
| 17 | 232 Accounts Payable | 9,413,693 | 8,841,781 | 6% |
| 18 | 233 Notes Payable to Associated Companies | | | |
| 19 | 234 Accounts Payable to Associated Companies | | | |
| 20 | 235 Customer Deposits | | | |
| 21 | 236 Taxes Accrued | 1,005,975 | | #DIV/0! |
| 22 | 237 Interest Accrued | 112,513 | 106,860 | 5% |
| 23 | 238 Dividends Declared | | | |
| 24 | 239 Matured Long Term Debt | 502,072 | 532,371 | |
| 25 | 240 Matured Interest | | | |
| 26 | 241 Tax Collections Payable | | | |
| 27 | 242 Miscellaneous Current & Accrued Liabilities | 3,340,791 | 5,740,095 | -42% |
| 28 | 243 Obligations Under Capital Leases - Current | | | |
| 29 | TOTAL Current & Accrued Liabilities | 17,875,044 | 21,325,695 | -16% |
| 30 | | | | |
| 31 | Deferred Credits | | | |
| 32 | | | | |
| 33 | 252 Customer Advances for Construction | 1,575,585 | 1,604,814 | -2% |
| 34 | 253 Other Deferred Credits | 334,986 | 2,973,721 | -89% |
| 35 | 255 Accumulated Deferred Investment Tax Credits | 376,468 | 355,406 | 6% |
| 36 | 256 Deferred Gains from Disposition Of Util. Plant | | | |
| 37 | 257 Unamortized Gain on Reacquired Debt | | | |
| 38 | 281-283 Accumulated Deferred Income Taxes | 4,043,038 | 4,965,456 | -19% |
| 39 | TOTAL Deferred Credits | 6,330,077 | 9,899,397 | -36% |
| 40 | | | | |
| 41 | TOTAL LIABILITIES & OTHER CREDITS | 55,844,888 | 61,913,670 | -10% |

NOTE: The balance sheet represents Energy West Inc.

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2003

| | Account Number & Title | Last Year | This Year | % Change |
|----|---|-----------|-----------|----------|
| 1 | Intangible Plant | | | |
| 2 | | | | |
| 3 | 301 Organization | | | |
| 4 | 302 Franchises & Consents | | | |
| 5 | 303 Miscellaneous Intangible Plant | 7,136 | 7,136 | |
| 6 | | | | |
| 7 | TOTAL Intangible Plant | 7,136 | 7,136 | |
| 8 | | | | |
| 9 | Production Plant | | | |
| 10 | | | | |
| 11 | Production & Gathering Plant | | | |
| 12 | | | | |
| 13 | 325.1 Producing Lands | | | |
| 14 | 325.2 Producing Leaseholds | | | |
| 15 | 325.3 Gas Rights | | | |
| 16 | 325.4 Rights-of-Way | | | |
| 17 | 325.5 Other Land & Land Rights | | | |
| 18 | 326 Gas Well Structures | | | |
| 19 | 327 Field Compressor Station Structures | | | |
| 20 | 328 Field Meas. & Reg. Station Structures | | | |
| 21 | 329 Other Structures | | | |
| 22 | 330 Producing Gas Wells-Well Construction | | | |
| 23 | 331 Producing Gas Wells-Well Equipment | | | |
| 24 | 332 Field Lines | | | |
| 25 | 333 Field Compressor Station Equipment | | | |
| 26 | 334 Field Meas. & Reg. Station Equipment | | | |
| 27 | 335 Drilling & Cleaning Equipment | | | |
| 28 | 336 Purification Equipment | | | |
| 29 | 337 Other Equipment | | | |
| 30 | 338 Unsuccessful Exploration & Dev. Costs | | | |
| 31 | | | | |
| 32 | Total Production & Gathering Plant | | | |
| 33 | | | | |
| 34 | Products Extraction Plant | | | |
| 35 | | | | |
| 36 | 340 Land & Land Rights | | | |
| 37 | 341 Structures & Improvements | | | |
| 38 | 342 Extraction & Refining Equipment | | | |
| 39 | 343 Pipe Lines | | | |
| 40 | 344 Extracted Products Storage Equipment | | | |
| 41 | 345 Compressor Equipment | | | |
| 42 | 346 Gas Measuring & Regulating Equipment | | | |
| 43 | 347 Other Equipment | | | |
| 44 | | | | |
| 45 | Total Products Extraction Plant | | | |
| 46 | | | | |
| 47 | TOTAL Production Plant | | | |

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2003

| | Account Number & Title | Last Year | This Year | % Change |
|----|---|-----------|-----------|----------|
| 1 | | | | |
| 2 | Natural Gas Storage and Processing Plant | | | |
| 3 | | | | |
| 4 | Underground Storage Plant | | | |
| 5 | | | | |
| 6 | 350.1 Land | | | |
| 7 | 350.2 Rights-of-Way | | | |
| 8 | 351 Structures & Improvements | | | |
| 9 | 352 Wells | | | |
| 10 | 352.1 Storage Leaseholds & Rights | | | |
| 11 | 352.2 Reservoirs | | | |
| 12 | 352.3 Non-Recoverable Natural Gas | | | |
| 13 | 353 Lines | | | |
| 14 | 354 Compressor Station Equipment | | | |
| 15 | 355 Measuring & Regulating Equipment | | | |
| 16 | 356 Purification Equipment | | | |
| 17 | 357 Other Equipment | | | |
| 18 | | | | |
| 19 | Total Underground Storage Plant | | | |
| 20 | | | | |
| 21 | Other Storage Plant | | | |
| 22 | | | | |
| 23 | 360 Land & Land Rights | | | |
| 24 | 361 Structures & Improvements | | | |
| 25 | 362 Gas Holders | | | |
| 26 | 363 Purification Equipment | | | |
| 27 | 363.1 Liquification Equipment | | | |
| 28 | 363.2 Vaporizing Equipment | | | |
| 29 | 363.3 Compressor Equipment | | | |
| 30 | 363.4 Measuring & Regulating Equipment | | | |
| 31 | 363.5 Other Equipment | | | |
| 32 | | | | |
| 33 | Total Other Storage Plant | | | |
| 34 | | | | |
| 35 | TOTAL Natural Gas Storage and Processing Plant | | | |
| 36 | | | | |
| 37 | Transmission Plant | | | |
| 38 | | | | |
| 39 | 365.1 Land & Land Rights | | | |
| 40 | 365.2 Rights-of-Way | | | |
| 41 | 366 Structures & Improvements | | | |
| 42 | 367 Mains | | | |
| 43 | 368 Compressor Station Equipment | | | |
| 44 | 369 Measuring & Reg. Station Equipment | | | |
| 45 | 370 Communication Equipment | | | |
| 46 | 371 Other Equipment | | | |
| 47 | | | | |
| 48 | TOTAL Transmission Plant | | | |

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2003

| | Account Number & Title | Last Year | This Year | % Change |
|----|---|------------|------------|----------|
| 1 | | | | |
| 2 | Distribution Plant | | | |
| 3 | | | | |
| 4 | 374 Land & Land Rights | | | |
| 5 | 375 Structures & Improvements | 437,481 | 437,481 | |
| 6 | 376 Mains | 9,407,684 | 9,854,983 | -5% |
| 7 | 377 Compressor Station Equipment | | | |
| 8 | 378 Meas. & Reg. Station Equipment-General | 126,879 | 126,879 | |
| 9 | 379 Meas. & Reg. Station Equipment-City Gate | | | |
| 10 | 380 Services | 6,945,466 | 7,585,370 | -8% |
| 11 | 381 Meters | 1,491,694 | 1,489,797 | 0% |
| 12 | 382 Meter Installations | 1,190,913 | 1,364,391 | -13% |
| 13 | 383 House Regulators | 438,440 | 438,440 | |
| 14 | 384 House Regulator Installations | 533,723 | 572,377 | -7% |
| 15 | 385 Industrial Meas. & Reg. Station Equipment | 9,793 | 9,793 | |
| 16 | 386 Other Prop. on Customers' Premises | | | |
| 17 | 387 Other Equipment | | | |
| 18 | | | | |
| 19 | TOTAL Distribution Plant | 20,582,072 | 21,879,511 | -6% |
| 20 | | | | |
| 21 | General Plant | | | |
| 22 | | | | |
| 23 | 389 Land & Land Rights | 60,409 | 60,409 | |
| 24 | 390 Structures & Improvements | 2,019,878 | 2,020,812 | 0% |
| 25 | 391 Office Furniture & Equipment | 4,420,278 | 4,595,000 | -4% |
| 26 | 392 Transportation Equipment | 805,685 | 780,863 | 3% |
| 27 | 393 Stores Equipment | 554 | 554 | |
| 28 | 394 Tools, Shop & Garage Equipment | 368,269 | 368,269 | |
| 29 | 395 Laboratory Equipment | 35,025 | 35,025 | |
| 30 | 396 Power Operated Equipment | 454,577 | 456,237 | 0% |
| 31 | 397 Communication Equipment | 264,497 | 264,497 | |
| 32 | 398 Miscellaneous Equipment | 3,343 | 3,343 | |
| 33 | 399 Other Tangible Property | 15,203 | 20,582 | -26% |
| 34 | | | | |
| 35 | TOTAL General Plant | 8,447,719 | 8,605,591 | -2% |
| 36 | | | | |
| 37 | TOTAL Gas Plant in Service | 29,036,927 | 30,492,238 | -5% |

MONTANA DEPRECIATION SUMMARY

Year: 2003

| | Functional Plant Classification | Plant Cost | Accumulated Depreciation | | Current Avg. Rate |
|---|---------------------------------|-------------------|--------------------------|-------------------|-------------------|
| | | | Last Year Bal. | This Year Bal. | |
| 1 | Production & Gathering | | | | |
| 2 | Products Extraction | | | | |
| 3 | Underground Storage | | | | |
| 4 | Other Storage | | | | |
| 5 | Transmission | | | | |
| 6 | Distribution | 21,713,968 | 9,991,612 | 10,560,614 | |
| 7 | General | 8,607,648 | 5,041,251 | 5,331,228 | |
| 8 | TOTAL | 30,321,616 | 15,032,862 | 15,891,842 | |

MONTANA MATERIALS & SUPPLIES (ASSIGNED & ALLOCATED)

SCHEDULE 21

| | Account | Last Year Bal. | This Year Bal. | %Change |
|----|---|----------------|----------------|------------|
| 1 | | | | |
| 2 | 151 Fuel Stock | | | |
| 3 | 152 Fuel Stock Expenses - Undistributed | | | |
| 4 | 153 Residuals & Extracted Products | | | |
| 5 | 154 Plant Materials & Operating Supplies: | | | |
| 6 | Assigned to Construction (Estimated) | 162,268 | 106,891 | 52% |
| 7 | Assigned to Operations & Maintenance | 18,030 | 11,877 | 52% |
| 8 | Production Plant (Estimated) | | | |
| 9 | Transmission Plant (Estimated) | | | |
| 10 | Distribution Plant (Estimated) | | | |
| 11 | Assigned to Other | | | |
| 12 | 155 Merchandise | 8,048 | 7,540 | 7% |
| 13 | 156 Other Materials & Supplies | | | |
| 14 | 163 Stores Expense Undistributed | | | |
| 15 | | | | |
| 16 | TOTAL Materials & Supplies | 188,346 | 126,308 | 49% |

MONTANA REGULATORY CAPITAL STRUCTURE & COSTS

SCHEDULE 22

| | Commission Accepted - Most Recent | % Cap. Str. | % Cost Rate | Weighted Cost |
|----|-----------------------------------|----------------|-------------|---------------|
| 1 | Docket Number D2002.9.120 | | | |
| 2 | Order Number 6445c | | | |
| 3 | | | | |
| 4 | Common Equity | 50.00% | 10.61% | 5.31% |
| 5 | Preferred Stock | | | |
| 6 | Long Term Debt | 50.00% | 7.75% | 3.88% |
| 7 | Other | | | |
| 8 | TOTAL | 100.00% | | 9.18% |
| 9 | | | | |
| 10 | Actual at Year End | | | |
| 11 | | | | |
| 12 | Common Equity 15,298,461.00 | 49.85% | 4.51% | 2.25% |
| 13 | Preferred Stock | | | |
| 14 | Long Term Debt 15,390,117.00 | 50.15% | 7.75% | 3.89% |
| 15 | Other | | | |
| 16 | TOTAL 30,688,578.00 | 100.00% | | 6.13% |

STATEMENT OF CASH FLOWS

Year: 2003

| | Description | Last Year | This Year | % Change |
|----|---|--------------------|--------------------|--------------|
| 1 | | | | |
| 2 | Increase/(decrease) in Cash & Cash Equivalents: | | | |
| 3 | | | | |
| 4 | Cash Flows from Operating Activities: | | | |
| 5 | Net Income | 1,400,790 | (88,879) | 1676% |
| 6 | Depreciation | 2,326,909 | 2,594,141 | -10% |
| 7 | Amortization | | | |
| 8 | Deferred Income Taxes - Net | (1,354,927) | 1,519,494 | -189% |
| 9 | Investment Tax Credit Adjustments - Net | (21,062) | (21,062) | |
| 10 | Change in Operating Receivables - Net | 2,087,164 | 272,607 | 666% |
| 11 | Change in Materials, Supplies & Inventories - Net | (4,217,324) | 5,530,750 | -176% |
| 12 | Change in Operating Payables & Accrued Liabilities - Net | 108,573 | 1,288,920 | -92% |
| 13 | Allowance for Funds Used During Construction (AFUDC) | | | |
| 14 | Change in Other Assets & Liabilities - Net | 6,783,906 | (6,549,802) | 204% |
| 15 | Other Operating Activities (explained on attached page) | | | |
| 16 | Net Cash Provided by/(Used in) Operating Activities | 7,114,029 | 4,546,169 | 56% |
| 17 | | | | |
| 18 | Cash Inflows/Outflows From Investment Activities: | | | |
| 19 | Construction/Acquisition of Property, Plant and Equipment | (5,485,108) | (4,040,286) | -36% |
| 20 | (net of AFUDC & Capital Lease Related Acquisitions) | | | |
| 21 | Acquisition of Other Noncurrent Assets | | | |
| 22 | Proceeds from Disposal of Noncurrent Assets | (956,888) | (90,113) | -962% |
| 23 | Investments In and Advances to Affiliates | | | |
| 24 | Contributions and Advances from Affiliates | | | |
| 25 | Disposition of Investments in and Advances to Affiliates | | | |
| 26 | Other Investing Activities (explained on attached page) | 1,292,106 | 56,487 | 2187% |
| 27 | Net Cash Provided by/(Used in) Investing Activities | (5,149,890) | (4,073,912) | -26% |
| 28 | | | | |
| 29 | Cash Flows from Financing Activities: | | | |
| 30 | Proceeds from Issuance of: | | | |
| 31 | Long-Term Debt | | | |
| 32 | Preferred Stock | | | |
| 33 | Common Stock | | | |
| 34 | Other: | | | |
| 35 | Net Increase in Short-Term Debt | | | |
| 36 | Other: | | | |
| 37 | Payment for Retirement of: | | | |
| 38 | Long-Term Debt | (490,000) | (502,673) | 3% |
| 39 | Preferred Stock | | | |
| 40 | Common Stock | 204,574 | 78,587 | 160% |
| 41 | Other: | | | |
| 42 | Net Decrease in Short-Term Debt | (285,989) | 2,604,588 | -111% |
| 43 | Dividends on Preferred Stock | | | |
| 44 | Dividends on Common Stock | (1,245,734) | (1,081,648) | -15% |
| 45 | Other Financing Activities (explained on attached page) | | | |
| 46 | Net Cash Provided by (Used in) Financing Activities | (1,817,149) | 1,098,854 | -265% |
| 47 | | | | |
| 48 | Net Increase/(Decrease) in Cash and Cash Equivalents | 146,990 | 1,571,111 | -91% |
| 49 | Cash and Cash Equivalents at Beginning of Year | 220,667 | 367,657 | -40% |
| 50 | Cash and Cash Equivalents at End of Year | 367,657 | 1,938,768 | -81% |

NOTE: Cash flow statement represents Energy West, Inc.

LONG TERM DEBT

Year: 2003

| | Description | Issue Date Mo./Yr. | Maturity Date Mo./Yr. | Principal Amount | Net Proceeds | Outstanding Per Balance Sheet | Yield to Maturity | Annual Net Cost Inc. Prem/Disc. | Total Cost % |
|----|-----------------------------|--------------------|-----------------------|------------------|--------------|-------------------------------|-------------------|---------------------------------|--------------|
| 1 | Industrial Development | Sep 1992 | Oct 2012 | 1,800,000 | 1,800,000 | 1,065,000 | 3.35% to 6.50% | 77,923 | 7.32% |
| 2 | Revenue Bonds | | | | | | | | |
| 3 | Series 1992B | | | | | | | | |
| 4 | | | | | | | | | |
| 5 | Great Falls Gas Company | June 1993 | June 2008 | 7,800,000 | 7,800,000 | 5,835,000 | 6.20% to 7.60% | 539,242 | 9.24% |
| 6 | Series 1993 Notes | | | | | | | | |
| 7 | | | | | | | | | |
| 8 | Great Falls Gas Company | Aug 1997 | June 2012 | 8,000,000 | 8,000,000 | 7,925,444 | 7.50% | 630,722 | 7.96% |
| 9 | Series 1997 Notes | | | | | | | | |
| 10 | | | | | | | | | |
| 11 | Capitalized lease | | | | | 9,008 | | | |
| 12 | | | | | | | | | |
| 13 | Asset Retirement Obligation | | | | | 555,665 | | | |
| 14 | | | | | | | | | |
| 15 | | | | | | | | | |
| 16 | | | | | | | | | |
| 17 | | | | | | | | | |
| 18 | | | | | | | | | |
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| 27 | | | | | | | | | |
| 28 | | | | | | | | | |
| 29 | | | | | | | | | |
| 30 | | | | | | | | | |
| 31 | | | | | | | | | |
| 32 | TOTAL | | | 17,600,000 | 17,600,000 | 15,390,117 | | 1,247,886 | 8.11% |

PREFERRED STOCK

Year: 2003

| | Series | Issue Date Mo./Yr. | Shares Issued | Par Value | Call Price | Net Proceeds | Cost of Money | Principal Outstanding | Annual Cost | Embed. Cost % |
|----|----------------|--------------------------|------------------|--------------|---------------|-----------------|------------------|--------------------------|----------------|------------------|
| 1 | NOT APPLICABLE | | | | | | | | | |
| 2 | | | | | | | | | | |
| 3 | | | | | | | | | | |
| 4 | | | | | | | | | | |
| 5 | | | | | | | | | | |
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| 28 | | | | | | | | | | |
| 29 | | | | | | | | | | |
| 30 | | | | | | | | | | |
| 31 | | | | | | | | | | |
| 32 | TOTAL | | | | | | | | | |

COMMON STOCK

Year: 2003

| | | Avg. Number of Shares Outstanding | Book Value Per Share | Earnings Per Share | Dividends Per Share | Retention Ratio | Market Price High | Market Price Low | Price/ Earnings Ratio |
|----|----------------|---|----------------------------|--------------------------|---------------------------|--------------------|-------------------------|------------------------|-----------------------------|
| 1 | | | | | | | | | |
| 2 | | | | | | | | | |
| 3 | | | | | | | | | |
| 4 | July | 2549245 | 6.24 | | | | 9.750 | 8.700 | |
| 5 | | | | | | | | | |
| 6 | August | 2549245 | 6.05 | | | | 9.500 | 8.750 | |
| 7 | | | | | | | | | |
| 8 | September | 2573128 | 5.79 | (0.40) | 0.135 | | 9.140 | 8.450 | (22.0) |
| 9 | | | | | | | | | |
| 10 | October | 2573742 | 5.70 | | | | 8.890 | 8.370 | |
| 11 | | | | | | | | | |
| 12 | November | 2574100 | 5.49 | | | | 8.520 | 7.760 | |
| 13 | | | | | | | | | |
| 14 | December | 2579948 | 5.73 | (0.35) | 0.270 | | 8.351 | 7.381 | (22.5) |
| 15 | | | | | | | | | |
| 16 | January | 2581494 | 6.00 | | | | 8.740 | 8.000 | |
| 17 | | | | | | | | | |
| 18 | February | 2582551 | 6.19 | | | | 9.000 | 8.460 | |
| 19 | | | | | | | | | |
| 20 | March | 2583935 | 6.28 | 0.34 | 0.405 | | 8.790 | 7.400 | 23.8 |
| 21 | | | | | | | | | |
| 22 | April | 2584853 | 6.17 | | | | 7.690 | 6.141 | |
| 23 | | | | | | | | | |
| 24 | May | 2585648 | 6.01 | | | | 8.450 | 5.100 | |
| 25 | | | | | | | | | |
| 26 | June | 2586487 | 5.90 | (0.03) | 0.405 | | 8.550 | 6.010 | (242.7) |
| 27 | | | | | | | | | |
| 28 | | | | | | | | | |
| 29 | | | | | | | | | |
| 30 | | | | | | | | | |
| 31 | | | | | | | | | |
| 32 | TOTAL Year End | | | -0.44 | 1.215 | 376.14% | | | |

MONTANA EARNED RATE OF RETURN

Year: 2003

| | Description | Last Year | This Year | % Change |
|----|---|-------------------|-------------------|----------------|
| | Rate Base | | | |
| 1 | | | | |
| 2 | 101 Plant in Service | 29,036,927 | 29,764,583 | 2.51% |
| 3 | 108 (Less) Accumulated Depreciation | (15,032,862) | (15,462,352) | -2.86% |
| 4 | NET Plant in Service | 14,004,065 | 14,302,231 | 2.13% |
| 5 | | | | |
| 6 | Additions | | | |
| 7 | 154, 156 Materials & Supplies | 2,713,427 | 1,113,840 | -58.95% |
| 8 | 165 Prepayments | | | |
| 9 | Other Additions | 330,121 | 567,282 | 71.84% |
| 10 | TOTAL Additions | 3,043,548 | 1,681,122 | -44.76% |
| 11 | | | | |
| 12 | Deductions | | | |
| 13 | 190 Accumulated Deferred Income Taxes | 2,020,926 | 1,997,834 | -1.14% |
| 14 | 252 Customer Advances for Construction | 276,485 | 309,557 | 11.96% |
| 15 | 255 Accumulated Def. Investment Tax Credits | | | |
| 16 | Other Deductions | | | |
| 17 | TOTAL Deductions | 2,297,411 | 2,307,391 | 0.43% |
| 18 | TOTAL Rate Base | 14,750,202 | 13,675,962 | -7.28% |
| 19 | | | | |
| 20 | Net Earnings | 1,328,186 | 838,645 | -36.86% |
| 21 | | | | |
| 22 | Rate of Return on Average Rate Base | 8.509% | 6.132% | -27.93% |
| 23 | | | | |
| 24 | Rate of Return on Average Equity | 8.162% | 5.482% | -32.84% |
| 25 | | | | |
| 26 | Major Normalizing Adjustments & Commission | | | |
| 27 | Ratemaking adjustments to Utility Operations | | | |
| 28 | | | | |
| 29 | | | | |
| 30 | | | | |
| 31 | | | | |
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| 43 | | | | |
| 44 | | | | |
| 45 | | | | |
| 46 | | | | |
| 47 | Adjusted Rate of Return on Average Rate Base | | | |
| 48 | | | | |
| 49 | Adjusted Rate of Return on Average Equity | | | |

MONTANA COMPOSITE STATISTICS

Year: 2003

| | Description | Amount |
|----|--|----------|
| 1 | | |
| 2 | Plant (Intrastate Only) (000 Omitted) | |
| 3 | | |
| 4 | 101 Plant in Service | 30,492 |
| 5 | 107 Construction Work in Progress | |
| 6 | 114 Plant Acquisition Adjustments | |
| 7 | 105 Plant Held for Future Use | |
| 8 | 154, 156 Materials & Supplies | 127 |
| 9 | (Less): | |
| 10 | 108, 111 Depreciation & Amortization Reserves | (15,892) |
| 11 | 252 Contributions in Aid of Construction | |
| 12 | | |
| 13 | NET BOOK COSTS | 14,727 |
| 14 | | |
| 15 | Revenues & Expenses (000 Omitted) | |
| 16 | | |
| 17 | 400 Operating Revenues | 22,528 |
| 18 | | |
| 19 | 403 - 407 Depreciation & Amortization Expenses | 873 |
| 20 | Federal & State Income Taxes | 289 |
| 21 | Other Taxes | 395 |
| 22 | Other Operating Expenses | 20,132 |
| 23 | TOTAL Operating Expenses | 21,689 |
| 24 | | |
| 25 | Net Operating Income | 839 |
| 26 | | |
| 27 | 415 - 421.1 Other Income | 14 |
| 28 | 421.2 - 426.5 Other Deductions | 595 |
| 29 | | |
| 30 | NET INCOME | 258 |
| 31 | | |
| 32 | Customers (Intrastate Only) | |
| 33 | | |
| 34 | Year End Average: | |
| 35 | Residential | 23,699 |
| 36 | Commercial | 2,711 |
| 37 | Industrial | |
| 38 | Other | |
| 39 | | |
| 40 | TOTAL NUMBER OF CUSTOMERS | 26,410 |
| 41 | | |
| 42 | Other Statistics (Intrastate Only) | |
| 43 | | |
| 44 | Average Annual Residential Use (Mcf or Dkt)) | 14.60 |
| 45 | Average Annual Residential Cost per (Mcf or Dkt) (\$) * | 3.191 |
| 46 | * Avg annual cost = [(cost per Mcf or Dkt x annual use) + (mo. svc chrg x 12)]/annual use | |
| 47 | Average Residential Monthly Bill | 46.59 |
| 48 | Gross Plant per Customer | 1,155 |

MONTANA CUSTOMER INFORMATION

Year: 2003

| | City/Town | Population (Include Rural) | Residential Customers | Commercial Customers | Industrial & Other Customers | Total Customers |
|----|-------------------------|-------------------------------|--------------------------|-------------------------|------------------------------------|--------------------|
| 1 | Great Falls | 66,690 | 23,699 | 2,711 | | 26,410 |
| 2 | | | | | | |
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| 30 | | | | | | |
| 31 | | | | | | |
| 32 | TOTAL Montana Customers | 66,690 | 23,699 | 2,711 | | 26,410 |

MONTANA EMPLOYEE COUNTS

Year: 2003

| | Department | Year Beginning | Year End | Average |
|----|-------------------------------|----------------|----------|---------|
| 1 | TRANSMISSION & DISTRIBUTION | 4 | 4 | 4 |
| 2 | CUSTOMER ACCOUNTS | 18 | 20 | 19 |
| 3 | SALES, MERCHANDISING, JOBBING | 2 | 2 | 2 |
| 4 | ENGINEERING | 2 | 1 | 2 |
| 5 | ADMINISTRATIVE & GENERAL | 10 | 11 | 11 |
| 6 | CONSTRUCTION | 11 | 10 | 11 |
| 7 | FIELD CUSTOMER SERVICE | 6 | 7 | 7 |
| 8 | DISTRICT PERSONNEL | | | |
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| 49 | | | | |
| 50 | TOTAL Montana Employees | 53 | 55 | 54 |

MONTANA CONSTRUCTION BUDGET (ASSIGNED & ALLOCATED)

Year: 2004

| | Project Description | Total Company | Total Montana |
|----|--------------------------------|---------------|---------------|
| 1 | ENERGY WEST - WEST YELLOWSTONE | 19,680 | |
| 2 | ENERGY WEST - CASCADE | | |
| 3 | ENERGY WEST - MONTANA | 1,263,967 | |
| 4 | OTHER | | |
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| 49 | | | |
| 50 | TOTAL | 1,283,647 | |

TRANSMISSION SYSTEM - TOTAL COMPANY & MONTANA

Year: 2003

| Total Company | | | | |
|---------------|--------------|----------------------|--------------------------------|-------------------------------------|
| | | Peak Day of Month | Peak Day Volumes Mcf or Dkt | Total Monthly Volumes Mcf or Dkt |
| 1 | January | | | |
| 2 | February | | | |
| 3 | March | | | |
| 4 | April | | | |
| 5 | May | | | |
| 6 | June | | | |
| 7 | July | | | |
| 8 | August | | | |
| 9 | September | | | |
| 10 | October | | | |
| 11 | November | | | |
| 12 | December | | | |
| 13 | TOTAL | | | |

| Montana | | | | |
|---------|--------------|----------------------|--------------------------------|-------------------------------------|
| | | Peak Day of Month | Peak Day Volumes Mcf or Dkt | Total Monthly Volumes Mcf or Dkt |
| 14 | January | | | |
| 15 | February | | | |
| 16 | March | | | |
| 17 | April | | | |
| 18 | May | | | |
| 19 | June | | | |
| 20 | July | | | |
| 21 | August | | | |
| 22 | September | | | |
| 23 | October | | | |
| 24 | November | | | |
| 25 | December | | | |
| 26 | TOTAL | | | |

DISTRIBUTION SYSTEM - TOTAL COMPANY & MONTANA

Year: 2003

| Total Company | | | | |
|---------------|--------------|----------------------|--------------------------------|-------------------------------------|
| | | Peak Day of Month | Peak Day Volumes Mcf or Dkt | Total Monthly Volumes Mcf or Dkt |
| 1 | January | SEE BELOW | | |
| 2 | February | | | |
| 3 | March | | | |
| 4 | April | | | |
| 5 | May | | | |
| 6 | June | | | |
| 7 | July | | | |
| 8 | August | | | |
| 9 | September | | | |
| 10 | October | | | |
| 11 | November | | | |
| 12 | December | | | |
| 13 | TOTAL | | | |

| Montana | | | | |
|---------|--------------|----------------------|--------------------------------|-------------------------------------|
| | | Peak Day of Month | Peak Day Volumes Mcf or Dkt | Total Monthly Volumes Mcf or Dkt |
| 14 | July | 1 | 3,779 | 136,978 |
| 15 | August | 8 | 5,338 | 163,154 |
| 16 | September | 27 | 10,238 | 219,553 |
| 17 | October | 30 | 29,433 | 499,902 |
| 18 | November | 1 | 22,703 | 520,588 |
| 19 | December | 4 | 26,277 | 644,967 |
| 20 | January | 21 | 32,364 | 669,672 |
| 21 | February | 23 | 34,478 | 666,230 |
| 22 | March | 8 | 34,984 | 619,832 |
| 23 | April | 2 | 18,613 | 333,895 |
| 24 | May | 18 | 15,995 | 289,363 |
| 25 | June | 4 | 6,310 | 165,880 |
| 26 | TOTAL | | | 4,930,013 |

Year: 2003

STORAGE SYSTEM - TOTAL COMPANY & MONTANA

| | | Total Company | | | | | |
|----|----|-------------------|------------|-------------------------------|------------|------------------------------------|------------|
| | | Peak Day of Month | | Peak Day Volumes (Mcf or Dkt) | | Total Monthly Volumes (Mcf or Dkt) | |
| | | Injection | Withdrawal | Injection | Withdrawal | Injection | Withdrawal |
| 1 | 2 | January | | | | | |
| 3 | 4 | February | | | | | |
| 5 | 6 | March | | | | | |
| 7 | 8 | April | | | | | |
| 9 | 10 | May | | | | | |
| 11 | 12 | June | | | | | |
| 13 | 14 | July | | | | | |
| 15 | 16 | August | | | | | |
| 17 | 18 | September | | | | | |
| 19 | 20 | October | | | | | |
| 21 | 22 | November | | | | | |
| 23 | 24 | December | | | | | |
| 25 | 26 | TOTAL | | | | | |

| | | Montana | | | | | |
|----|----|-------------------|------------|-------------------------------|------------|------------------------------------|------------|
| | | Peak Day of Month | | Peak Day Volumes (Mcf or Dkt) | | Total Monthly Volumes (Mcf or Dkt) | |
| | | Injection | Withdrawal | Injection | Withdrawal | Injection | Withdrawal |
| 14 | 15 | January | | | | | |
| 16 | 17 | February | | | | | |
| 18 | 19 | March | | | | | |
| 20 | 21 | April | | | | | |
| 22 | 23 | May | | | | | |
| 24 | 25 | June | | | | | |
| 26 | 27 | July | | | | | |
| 28 | 29 | August | | | | | |
| 30 | 31 | September | | | | | |
| 32 | 33 | October | | | | | |
| 34 | 35 | November | | | | | |
| 36 | 37 | December | | | | | |
| 38 | 39 | TOTAL | | | | | |

SOURCES OF GAS SUPPLY

Year: 2003

| | Name of Supplier | Last Year Volumes Mcf or Dkt | This Year Volumes Mcf or Dkt | Last Year Avg. Commodity Cost | This Year Avg. Commodity Cost |
|----|--------------------------|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| 1 | Energy West Resources | 472,000 | 790,000 | \$2.9474 | \$5.6520 |
| 2 | Coral | 1,825,000 | 615,000 | \$2.4155 | \$2.3240 |
| 3 | PanCanadian | 1,085,746 | | \$3.4400 | |
| 4 | Jet-co | | 1,472,885 | | \$4.1250 |
| 5 | North Western | | 17,000 | | \$8.0600 |
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| 32 | | | | | |
| 33 | Total Gas Supply Volumes | 3,382,746 | 2,894,885 | \$2.8186 | \$4.1822 |

MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS

Year: 2003

| | Program Description | Current Year Expenditures | Last Year Expenditures | % Change | Planned Savings (Mcf or Dkt) | Achieved Savings (Mcf or Dkt) | Difference |
|----|----------------------------|------------------------------|---------------------------|----------|------------------------------------|-------------------------------------|------------|
| 1 | NO INTEREST LOAN PROGRAM | \$307,569 | \$324,930 | -5.34% | N/A | N/A | |
| 2 | FURNACE EFFICIENCY PROGRAM | \$22,285 | \$23,790 | -6.33% | N/A | N/A | |
| 3 | | | | | | | |
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| 30 | | | | | | | |
| 31 | | | | | | | |
| 32 | TOTAL | \$329,854 | \$348,720 | -5.41% | | | |

MONTANA CONSUMPTION AND REVENUES

Year: 2003

| | Sales of Gas | Operating Revenues | | MCF Sold | | Avg. No. of Customers | |
|----|-----------------------------------|--------------------|---------------|--------------|---------------|-----------------------|---------------|
| | | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| 1 | Residential | \$13,178,851 | \$17,080,512 | 2,177,332 | 2,326,427 | 23,699 | 23,541 |
| 2 | Commercial - Small | 2,006,879 | 2,522,679 | 316,311 | 330,805 | 1,877 | 1,851 |
| 3 | Commercial - Large | 5,553,206 | 7,104,334 | 934,306 | 994,724 | 834 | 814 |
| 4 | Industrial - Small | | | | | | |
| 5 | Industrial - Large | | | | | | |
| 6 | Interruptible Industrial | | | | | | |
| 7 | Other Sales to Public Authorities | | | | | | |
| 8 | Sales to Other Utilities | | | | | | |
| 9 | Interdepartmental | | | | | | |
| 10 | | | | | | | |
| 11 | TOTAL | \$20,738,936 | \$26,707,525 | 3,427,949 | 3,651,956 | 26410 | 26206 |
| 12 | | | | | | | |
| 13 | | | | | | | |
| 14 | | | | | | | |
| 15 | | | | | | | |
| 16 | | | | | | | |
| 17 | | | | | | | |
| 18 | Transportation of Gas | | | | | | |
| 19 | | | | | | | |
| 20 | Utilities | | | | | | |
| 21 | Industrial | | | | | | |
| 22 | Other | 1,789,060 | 1,943,065 | 1.5 | 1.5 | 2 | 2 |
| 23 | | | | | | | |
| 24 | TOTAL | \$1,789,060 | \$1,943,065 | 1,461,5436 | 1,521,5816 | 2 | 2 |